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REPORT
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FEDERAL COMMUNICATIONS COMMISSION AUTHORIZATIONS ACT OF 1981

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Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

[To accompany S. 821]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 821) to provide for authorization of appropriations for the Federal Communications Commission, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and recommends that the bill do pass.

PURPOSE

The legislation authorizes appropriations for the Federal Communications Commission (FCC) for 3 years at \$76,900,000 for each fiscal year 1982, 1983, and 1984. This bill also establishes a statutory fee schedule, assessing charges for services received by communications providers and users. The bill establishes an International Telecommunications and Information Task Force to formulate U.S. telecommunications and information policies. Finally, S. 821, as reported, provides for a 1 year authorization for the National Telecommunications and Information Administration (NTIA) in the Department of Commerce at \$16,500,000.

BACKGROUND AND NEED

The FCC authorization

The FCC is permanently authorized by Congress pursuant to the Communications Act of 1934, which established a regulatory body to plan and carry out reallocation of broadcast stations to prohibit interference. The agency's permanent status was based upon the need to expertly regulate rapidly expanding broadcast services—the only regulatory need at that time. Today, however, the FCC has far-reaching jurisdiction over international and interstate communications by radio, television, wire, and cable.

Recent FCC decisions promoting competition and deregulation have been subjected to protracted judicial proceedings and administrative revision. This is because the Commission's decisions are being made in the context of the 1934 Act, outmoded and anachronistic in light of rapid advances in technology. The Committee finds that public interest is not served by the delay, expense and possibility that these new FCC decisions will never be implemented. The Committee, therefore, has proposed comprehensive revisions to the Communications Act of 1934.

The Committee is exercising its appropriate policymaking role to ensure that the American people benefit from competition and deregulation. It is appropriate, therefore, that Congress be given the opportunity for regular and systematic oversight of the FCC's implementation of Congressional policy. A 3-year authorization will provide that opportunity, and result in substantially reduced costs for the taxpayer.

The statutory fee schedule

S. 821, as reported, establishes a statutory fee schedule assessing charges for services rendered to communications providers and users at reasonable and mostly nominal rates that would guarantee a return to the Federal Treasury of almost half of the FCC annual budget. The fees are based on the cost of regulation.

NTIA authorization

S. 821, as reported, authorizes appropriations for NTIA for fiscal year 1982 at \$16,500,000. This will provide Congress with a new and additional mechanism to carry out its oversight responsibilities as it redesigns the 1934 act. This will foster a responsive relationship with NTIA and lead to the development of sound telecommunications policy.

The International Telecommunications and Information Task Force

S. 821, as reported, establishes, for 3 years, a Task Force to develop U.S. telecommunications and information policies, and advise the President of the United States with respect to those policies. The Task Force is authorized to coordinate the policies of the various Federal agencies involved in international telecommunications and information. The Task Force is also empowered to review, modify, approve or disapprove of any significant policy determinations or proposed statement formulated or made by any agency of the United States where such policy, statement, or determination relates to international telecommunications and information.

FCC oversight and periodic authorization

Regular and systematic oversight will increase Commission accountability for the implementation of Congressional policy. Congress will benefit from greater exposure to the Commission's expertise on the policy implications presented by the new telecommunications services made possible by rapidly changing technologies. The Commission, in turn, will have a better appreciation of Congressional intent.

The Committee finds that another sound reason for changing the Commission authorization is because the FCC has not been managed effectively. One of its major shortfalls is its failure to establish goals and objectives and its failure to then determine how to meet them. A periodic authorization will allow the Congress to assist in the establishment of the FCC's goals and objectives, and to oversee how they intend to meet them. Policies and programs, which are not performing as Congress intended will be modified or discontinued. Such a review forces the FCC to collect appropriate data to measure its program effectiveness and to perform periodic program evaluations. These activities will contribute significantly to improve management effectiveness at the agency.

Also, through the reauthorization process, the FCC will be in a position to better coordinate the procurement of resources and equipment.

To assist in this management function, S. 821 establishes the Office of Managing Director. The Commission has an Executive Director who has responsibility for various administrative functions such as procurement, personnel management, and budget preparation, but has no authority to direct the activities of the bureaus and offices. Consequently, no one individual functions as the chief operating officer at the Commission, and the Commission's bureaus and offices have operated independently of one another with resultant problems in coordination, communication, and direction. The Committee finds that a central locus of management authority—a Managing Director—is needed. We emphasize the importance of a strong Managing Director in improving overall Commission management. The act is amended to provide for this position.

The Committee's adoption of the authorization level at almost \$400,000 below that recommended by the administration reflects its belief that there should be some readjustments in FCC staff positions. The Committee finds that the FCC may make several reductions in existing Bureaus, and reallocate those resources to areas where a larger staff will become necessary. An overall reduction, even in light of these reallocations, is still possible.

The Committee believes that the Review Board and the Office of Plans and Policy can be substantially reduced or eliminated. There is doubt as to whether the Review Board truly expedites the resolution of adjudicatory matters, as intended. Additionally, with respect to the Office of Plans and Policy, it appears that the Office is drawn into immediate rather than long-term policymaking—clearly contrary to its intended objectives. The Committee also believes that reductions could be made in the Office of Opinions and Review and the Office of Public Affairs.

Deregulatory action undertaken by Congress should bring about reductions in the Broadcast Bureau and Private Radio Bureau. Successful congressional legislative efforts will require additional FCC

staff in the Field Operations and Common Carrier Bureaus. It is expected that as legislation is enacted, the FCC will make the necessary staff reductions and reallocations as expeditiously as possible. The Committee admonishes the Commission to reverse its decisions to close existing field offices, not adequately staff others, and its failure to open additional offices needed to provide better enforcement, particularly against malicious and repeated violations of FCC regulations, or the Communications Act.

The Committee concurs with the General Accounting Office's criticism of the resources and staff to revise the Uniform System of Accounts (USOA) (Docket 78-196). The Committee expects the Commission to respond to the clearly demonstrated need for a revised USOA by establishing a schedule, together with the necessary staff and resources, that will ensure completion of this proceeding within 2 years. Competition in the provision of telecommunications services and equipment will not be in the public interest without the information that will be available through a sound system for allocating cost.

The fee schedule

S. 821 establishes a schedule of charges designed to collect by service total amounts of money which are equal to or less than the budget estimate for each service. Services for this purpose are defined as Broadcast, Common Carrier, Equipment Authorization, Cable Television Authorization of Services, and Private Radio. The fee schedule reflects the Committee's effort to ensure a reasonable relationship between fees for any given service and the cost. This is the standard established by the U.S. Court of Appeals in a series of cases in 1976. (*National Cable Television Association v. FCC*, 554 F.2d 1094 (D.C. Cir. 1976); *Electronic Industries Association v. FCC*, 554 F.2d 1109 (D.C. Cir. 1976); *National Association of Broadcasters v. FCC*, 554 F.2d 1118 (D.C. Cir. 1976); *Capital Cities Communications, Inc. v. FCC*, 554 F.2d 1135 (D.C. Cir. 1976)).

The bill limits total collections in any fiscal year to 50 percent of the amount authorized to be appropriated, \$76,900,000. If the 50 percent limitation is exceeded, the Commission must, within 90 days, implement a pro-rata reduction of all of its fees so that collections do not exceed 50 percent of its appropriations over the next twelve months. This ensures that the FCC does not, for any prolonged period, collect fees which in total exceed 50 percent of its appropriations. This mechanism is necessary due to the normal uncertainty surrounding the final appropriations amount for any Federal agency, including the FCC, and the uncertainty associated with the final fee collections which can be expected from the schedule of charges enumerated in Section 6 (g) of the act. The Committee estimates that its proposed schedule of charges will collect approximately \$31 million, which is 40.3 percent of the amount authorized to be appropriated for fiscal year 1982. However, we recognize that if demand for several of the services for which fees are charged were to increase suddenly the fee collection could easily exceed 50 percent. At that point, the Committee expects that the Commission would calculate the expected amount of fee collections over 50 percent and reduce all fees by a pro-rata amount sufficient to insure that fee collections over the next 12 month period did not exceed 50 percent of its approved or expected appropri-

ations. The new fees would be effective no later than 90 days after the 50 percent ceiling was reached. The Committee also expects collections under the fee schedule which exists at the time the 50 percent ceiling is reached, to continue until changed under this procedure.

Section 4 (p), which contains language allowing for appropriations above the basic authorization to meet increased costs due to salary adjustments and other nondiscretionary costs, contains the authorizations for the additional appropriation necessary to operate the fee collection program. The Committee expects the Commission to move expeditiously to promulgate rules and regulations for the implementation of the fee collection program.

The National Telecommunications and Information Administration

Section 201 of S. 821, as reported, authorizes appropriations of \$16,500,000 for NTIA for fiscal year 1982. NTIA is in the Department of Commerce, and now has an indeterminate or permanent authorization.

In 1950, President Truman created the President's Office of Telecommunications Advisor. His successors reorganized that Office several times. In 1978 President Carter merged the Office of Telecommunication Policy, created during the Nixon administration, with the Commerce Department's Office of Telecommunications, and created NTIA.

At the present time, NTIA has two functions. First, it (through delegation from the Secretary of Commerce) discharges the President's statutory responsibilities to manage the Federal Government's use of the radio frequency spectrum. Second, it is the primary agency responsible for the formulation of telecommunications and information policy and is the spokesman for the executive branch on these issues.

In view of NTIA's important responsibilities, and because they directly relate to matters before the FCC, the Committee believes it appropriate to strengthen Congressional review of NTIA activities through the process of an annual authorization.

International Telecommunications and Information Task Force

For the last several years, the world has witnessed revolutionary changes in communications technology, global telecommunications policy, and the emergence of a vast array of political, social, and economic problems caused by technological advances and transformations in the international political order.

While many nations have taken steps to prepare and plan for and control these developments, the U.S. Government, alone among the advanced industrialized nations, lacks a comprehensive, cohesive set of national goals and policies and the institutional structure to deal with these events.

The United States is the world's telecommunications leader in creating new hardware and software, originating and transmitting data, and providing information-based products. Our leadership, however, is gravely endangered by the changes in the world telecommunications environment and by our government's inability to respond quickly enough to these developments. Telecommunications and information are the bases of this nation's economic and commercial strength, and failure to enhance and promote these

strengths will lead inevitably to the erosion of the political stature of the United States.

Section 303 of S. 821 establishes a special, seven-member "International Telecommunications and Information Task force." The Task Force consists of the Secretaries of Commerce, Defense, and State, the Attorney General, the U.S. Trade Representative, the Director of the International Communications Agency, and the Chairman of the FCC. This special task force is chartered initially for 3 years. It will be responsible for reviewing and coordinating U.S. telecommunications and information policies, with special emphasis on world commerce and trade.

Three-quarters of those Americans polled in a recent survey expressed serious concern about the U.S. balance of trade deficit for 1980, which will likely exceed \$30 billion. Almost as many said that they would favor more effective government programs aimed at encouraging American businesses to export more goods and services.¹

Communications and associated information industry products comprise the third largest element in our world trade portfolio. Our growing international trade in services—everything from insurance and financial services to hotel, airline and computerized library services—is becoming increasingly important to the U.S. economy. Its volume has been conservatively estimated by U.S. Trade Representative William Brock to exceed \$35 million. This vital trade in so-called "intangibles" is dependent on effective and efficient international telecommunications, which have a critical role to play in restoring the margin of safety in our national defense.

Too little attention has been accorded international telecommunications and information policies, despite the fact that several nations in Western Europe and Japan have targeted these commercial and industrial sectors for special emphasis and rapid development. As former Commerce Secretary Philip M. Klutznick stated to the Committee last year, "If we are to meet these growing competitive challenges both at home and abroad, we must first set our own house in order."

Additionally, for several years, this Committee has been concerned with U.S. preparations for international telecommunications conferences. Although the United States has traditionally been well-prepared for discussions on technical issues, our representatives have often failed to recognize or lack adequate policy guidelines to respond to the political and commercial considerations at these conferences.

Many U.S. participants in the 1979 World Administrative Radio Conference were satisfied with the results of that conference. However, Conferences to be held throughout the next ten years will make the decisions that were postponed in 1979 and these decisions have far-reaching implications for the United States. Various Executive Branch agencies and the Federal Communications Commission are preparing for these conferences. In an effort to coordinate these preparations, the Committee has included an amendment to this bill which creates a "Task Force" that will ensure coordination of international telecommunications and information policy.

¹ "The Emerging Consensus: Public Attitudes on America's Ability To Compete in the World," a survey conducted by Cambridge Reports, Inc., for Union Carbide Corporation (1981), at pp. 5, 30-32.

Under the recent international trade reorganization legislation, the Commerce Department enjoys broad new authorities in this field. The Committee believes, therefore, that programs aimed at improving the effectiveness of U.S. policies in this area should be a primary responsibility of the Secretary of Commerce, whose organization uniquely blends the capability to deal with government and industry, domestically as well as internationally. Under section 303 of S. 821, therefore, the special task force would be chaired by the Secretary of Commerce. In order to insure that our foreign policy, defense, and competition policy interests are appropriately reflected, the Departments of State, Defense and Justice and the U.S. Trade Representative would be made statutory members. By virtue of the expanded oversight opportunities that specific and determinant authorization of NTIA will facilitate, the Committee will be able to insure the efficient and responsive conduct of the Task Force effort.

The Task Force will be required to meet on a periodic basis to review and approve all positions, policies and public statements dealing with United States telecommunications and information policy. The Task Force will ensure that there is a consistent position advanced in multiple international forums by the responsible delegations.

Before approval of a public position on international telecommunications and information policies, the Task Force will consult the Advisory Committee and solicit the members' views.

The Commerce Committee expects the Task Force to conduct its discussions and consultations in such a manner as to ensure that the United States is not delinquent in meeting its deadlines or other obligations.

The Task Force will also be responsible for reviewing the various conferences scheduled by the International Telecommunications Union, Organization for Economic Cooperation and Development and other international bodies to ensure that the responsible agency or agencies have assigned adequate resources and personnel to assure the successful achievement of U.S. interests.

Membership on the delegations to these international conferences will be coordinated with the Task Force to ensure that affected parties are represented on those delegations.

This section is not intended to require prior Task Force review of proposed recommendations, responses, comments or other routine filings made to an independent regulatory body or Federal agency in the normal course of business.

LEGISLATIVE HISTORY

S. 821 was introduced by Senator Packwood (with Senators Goldwater, Schmitt, and Pressler) on March 27, 1981. The Committee on Commerce, Science, and Transportation held hearings on the bill on May 1, 1981. The Committee has considered all views presented in recommending the legislation reported herein.

ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget

Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C. May 14, 1981.

Hon. BOB PACKWOOD,
*Chairman, Committee on Commerce, Science, and Transportation,
U.S. Senate, Dirksen Senate Office Building, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 821, a bill to provide for authorization of appropriations for the Federal Communications Commission.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

ALICE M. RIVLIN, *Director.*

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill number: S. 821.
2. Bill title: A bill to provide for authorization of appropriations for the Federal Communications Commission.
3. Bill status: As ordered reported by the Senate Committee on Commerce, Science, and Transportation, May 6, 1981.
4. Bill purpose: Title I of S. 821 authorizes the appropriation of \$76.9 million in each of the fiscal years 1982, 1983, and 1984, plus adjustments for nondiscretionary costs, for the activities of the Federal Communications Commission (FCC). The FCC is currently authorized under permanent, indefinite authority. The bill also provides a schedule of fees for FCC services. These fees may be adjusted periodically, but the total amount collected through fees may not exceed 50 percent of appropriated funds. S. 821 would also establish a new position within the FCC known as Managing Director and would require the FCC to submit an annual report to the Congress. As provided in the continuing resolution, appropriations to date for fiscal year 1981 for the FCC are \$76.0 million. The President has requested \$77.4 million for these activities in 1982. Title II authorizes \$16.5 million, plus such sums as may be necessary for nondiscretionary costs, for the National Telecommunications and Information Administration (NTIA) in fiscal year 1982. NTIA currently has a permanent, indefinite authorization. Funding for fiscal year 1981, as provided in the continuing resolution, is \$17.4 million. The President has requested \$16.5 million in 1982 for these activities. Title III would establish an International Telecommunications and Information Task Force and an Advisory Committee on International Telecommunications to develop consistent and comprehensive United States international telecommunications and information policies.
5. Cost estimate:

(By fiscal years, in millions of dollars)

| | 1982 | 1983 | 1984 | 1985 | 1986 |
|-----------------------------|-------|-------|-------|------|------|
| Authorization level: | | | | | |
| Specified..... | 93.4 | 76.9 | 76.9 | | |
| Estimated..... | 4.6 | 7.6 | 12.2 | 0.7 | 0.8 |
| Total..... | 98.0 | 84.5 | 89.1 | 0.7 | 0.8 |
| Estimated outlays..... | 86.5 | 86.2 | 90.4 | 8.2 | 1.8 |
| Estimated receipts..... | -28.0 | -31.0 | -31.0 | | |
| Net additional outlays..... | 58.5 | 55.2 | 59.4 | 8.2 | 1.8 |

The costs of this bill fall within budget function 370.

Including outlays from prior years' budget authority appropriated to date, total outlays are estimated to be \$80.1 million in 1982 for the FCC and \$17.1 million for NTIA, assuming appropriation of the authorized amounts.

6. Basis of estimate:

Title I

The authorization levels assumed in the estimate of costs for the FCC in fiscal years 1982, 1983, and 1984 are those specified in the bill. In addition to the levels authorized in the bill, an amount was included to reflect adjustments for employee benefits as required by law. This increase was estimated at 4.8 percent in 1982, 7 percent in 1983, and 7 percent in 1984. These percentages reflect the Administration's planned compensation increases, and were applied to the total personnel compensation provided by the authorization in each fiscal year. It was assumed that the total authorization level would be appropriated prior to the beginning of each fiscal year. Outlays are based on historical spendout rates.

The bill also authorizes the FCC to charge fees, to be deposited in the general fund of the Treasury. Based on estimates provided by the FCC, receipts are estimated to be approximately \$31 million annually. The bill would allow the FCC 120 days to implement this provision. Assuming a July 1981 enactment date, approximately \$28 million would be received in fiscal year 1982. While these fees may be adjusted annually, any changes must be in the same proportion as the cumulative changes in the FCC's total budget appropriations for the preceding two fiscal years. Consequently, it is not likely that any adjustments in fee schedules will be made prior to fiscal year 1985, and that annual receipts will remain at the estimated \$31 million level for 1983 and 1984.

Title II

For purposes of estimating the cost of this title, it was assumed that the amount authorized in the bill for NTIA would be appropriated prior to the beginning of fiscal year 1982. Added to the 1982 authorization level was \$0.5 million to reflect adjustments in employee benefits as authorized by law, estimated to be 4.8 percent in 1982. Outlays are based on historical rates for NTIA.

Title III

The bill would establish a 7-member task force to coordinate the development of international telecommunication policies within

the United States. Members, as specified in the bill, would be high-ranking federal employees who would serve without compensation, but would be reimbursed for actual expenses, including travel. Members would also be able to utilize specified federal personnel, services, and facilities, as required. While precise estimates are not currently available, based on data supplied by the Department of Commerce, which has responsibility for appointing a staff director as well as staff to the task force, cost for these activities throughout the federal government in fiscal year 1982 is estimated to be \$600,000. Costs are estimated to be \$700,000 in fiscal years 1983 and 1984, and \$800,000 in fiscal years 1985 and 1986. This assumes that approximately 8 professional work-years and 3 clerical work-years, plus overhead and travel expenses, will be required in 1982 to implement these provisions of the bill. Costs in the years beyond 1982 have been adjusted for inflation.

In addition, the task force is responsible for establishing a 30-member advisory committee to provide policy guidance to the task force. The bill provides no provision for reimbursement of salary or expenses for members of the committee, who are drawn largely from the business community, including users and providers of telecommunications services. Since no federal employees will be members or provide services to the committee, no cost to the federal government is likely to result from enactment of this provision.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Mary Maginniss.

10. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation as reported.

S. 821, as reported anticipates a new deregulatory environment produced by anticipated legislation, the goal of which will be to reduce the role of the FCC with respect to telecommunications facilities and services. The proposed legislation would free up staff in some Bureaus, to allow additional staff for the Common Carrier and Field Operations Bureaus. The Committee believes that even with reallocations, reductions in staff could be made reflecting a decreased need for regulatory action.

SECTION-BY-SECTION ANALYSIS

Section 1(a) of S. 821 amends section of the Communications act by adding to it a subsection (p). Subsection (p) authorizes appropriations for the FCC at \$76,900,000 for each fiscal year 1982, 1983, and 1984. The authorization level will be adjusted upward for increases in nondiscretionary costs.

CHARGES

Section 1(b) of the bill adds a new section 6 to the Communications act. Section 6(a) sets forth the schedule of charges to be assessed to communications providers and users, and provides that

the Commission shall implement collection of fees within 180 days of the date of enactment of the bill.

Section 6(b)(1-3) provides the Commission with the discretion to increase or decrease the schedule amounts on a pro rata basis and provides that increases or decreases be made pursuant to Commission rules and regulations. Finally, it establishes that such adjustments shall not be subject to judicial review.

Section 6(c) requires the FCC to prescribe rules and regulations to clarify and implement the fee collection schedule and program.

Section 6(d) authorizes the FCC to assess a late payment charge that is not to exceed 25 percent of the amount of the charge that was late.

Section 6(e) (1) and (2) establishes that the charges shall not be applicable to any governmental body, and authorizes the FCC to waive or delay fee payment if the public interest is served thereby.

Section 6(f) provides that the amounts collected shall be placed in the general fund of the Treasury.

Section 6(g) ties the authority to collect fees to the triannual authorization in section 4(p).

Section 6(h) places a limit on the amount of fees collected at 90 percent of the amounts appropriated pursuant to the authorization of appropriations contained in section 4(p).

Section 2 of the bill amends existing law's section 5, by adding a new subsection (f) to it. New section 5(f) requires that the Commission establish the position of Managing Director.

Section 5(g) requires the FCC to submit an annual report to the Congress by January 31 of each year.

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

Section 201 of the bill authorizes appropriations for fiscal year 1982 NTIA operations at \$16,500,000 to be adjusted upward for non-discretionary costs.

INTERNATIONAL TELECOMMUNICATIONS AND INFORMATION TASK FORCE

Section 301 cites the title as the "International Telecommunications and Information Coordination Act of 1981."

Section 302(a) sets forth Congressional findings that it is important for the United States to coordinate international telecommunications and information policies; that the authority to develop such policies among the agencies is in conflict and confused; and that there must be an effective mechanism for coordinating the development of these policies.

Section 302(b) establishes the Congressional declaration of policy that encourages the open and fair provision of telecommunications and information goods and services in international commerce; ensures the equitable treatment of U.S. and foreign enterprises in international markets of telecommunications goods and services; and ensures coordination and representation of U.S. interests in international forums.

ESTABLISHMENT OF THE TASK FORCE

Section 303(a) establishes, for 3 years, an International Telecommunications and Information Task Force.

Section 303(b) establishes the membership of the Task Force, and permits the members to appoint representatives to serve in their stead.

Section 303(c) designates the Chairman and Vice-Chairman of the Task Force.

Section 303(d) authorizes the Task Force Chairman to invite heads of agencies (or their representatives) of agencies to participate in relevant deliberations of the Task Force.

Section 303(e) provides that the Task Force members will not be compensated, but reimbursed for actual and necessary expenses (including travel) incurred in carrying out the duties of the Task Force.

Section 303(f) provides that the President of the United States may, by Executive Order issued during the 6-month period preceding the Task Force's expiration, extend the existence of the Task Force's for a period of not more than 3 years. If the President does not extend the life of the Task Force, he shall reassign its functions and authorities to one department or agency.

POWERS OF THE TASK FORCE

Section 304(a) requires the Task Force to coordinate the policies of the federal agencies involved in international telecommunications and information. It also requires the Task Force to review all significant policy determinations of Federal agencies, and all proposed statement of U.S. policy by the agencies relating to international telecommunications and information. As such, it may modify, approve, or disapprove any such policy, determination, or proposed statement when necessary.

Section 304(b) establishes that the review, modification or approval procedures of section (a)(2) should not be considered a procedure to which the rulemaking and adjudicating provisions of the Administration Procedure Act apply.

Section 304(c) requires the Task Force to make recommendations and reports to the President and Congress on a regular basis.

In making recommendations and reports to the President and Congress as required in Sec. 304(c), it is expected in that the Task Force shall also identify emerging communications and information policy issues and provide information on foreign government's policies and statistical and factual information on the international trade in telecommunications equipment and services.

TRANSFER OF FUNCTIONS

Section 305(b)(c) and (d) transfers to the Task Force all functions, which by relevant portions of Executive Orders 12046 and 12048, are vested in the Departments of State and Commerce and the International Communications Agency. These provisions set forth the authority and responsibility of these agencies with respect to international telecommunications and information.

ADMINISTRATIVE POWERS

Section 306(a) authorizes the Task Force to utilize the resources of the member departments and agencies, other departments and

agencies (with their consent), and accept voluntary and uncompensated services to carry out the functions of the Task Force.

Section 306(b) requires the Secretaries of Commerce and State to designate a staff for the Task Force. The Secretary of Commerce will designate a Task Force director.

It is not the intention of the Committee to create a large bureaucracy, but the staff should be sufficiently large to enable the Task Force to accomplish its job thoroughly and efficiently. Although the Secretaries of Commerce and State have the responsibility for designating the staff, the Committee expects qualified personnel from other agencies such as the Office of the U.S. Trade Representative and Department of Defense also to serve whenever appropriate.

ADVISORY COMMITTEE

Section 307(a) establishes an Advisory Committee on International Telecommunications and Information to provide policy guidance to the Task Force. The Committee will be composed of not more than thirty (30) people to include representatives of labor; telecommunications, information and data processing equipment manufacturers; service providers and users; other service industries; financial institutions; journalists; broadcasters; consumers; the legal profession; and small business.

Section 307(b) requires the Committee to designate a Chairman and Vice Chairman, who will preside at meetings in the absence of the Chairman.

Section 307(c) provides that the Advisory Committee shall meet at the call of the Chairman. A meeting shall be called at least once each calendar quarter.

Section 307(d) directs the Task Force to consult with the Committee before any statement of any U.S. policy relating to international telecommunications and information. The purpose of the consultation shall be to obtain the Committee's views on the policy's effect on the economic and social interests of the United States.

In consulting with the Committee, the Task Force shall make a good faith effort to obtain adequate input from the private sector and not simply to inform the Committee of its decisions. Information on United States negotiating positions shall not be disclosed in public forums or in such a manner which would compromise the national interest. The Task Force shall also protect the confidentiality of proprietary information.

Section 307(e) requires the Task Force to make available to the Advisory Committee such staff, information and personnel assistance as may be reasonably required to carry out the activities of the Committee.

Section 307(f) sets forth the relationship between the Task Force and the Advisory Committee. It does not obligate the Task Force to be bound by the advice or recommendations of the Advisory Committee. The Task Force must inform the Committee whenever it fails to adopt the Committee's recommendations. The annual report of the Task Force to the Congress shall specify the nature of these consultations with the Committee, the issues involved in such consultations, and the reasons for not accepting any advice or recommendations of the Committee.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new material is printed in italic, existing law in which no change is proposed is shown in roman):

THE COMMUNICATIONS ACT OF 1934

SECTION 4 OF THAT ACT

SEC. 4. (a)-(o) * * *

(p) *There are authorized to be appropriated, to carry out the functions of the Commission, \$76,900,000 for the fiscal year ending September 30, 1982, \$76,900,000 for the fiscal year ending September 30, 1983, and \$76,900,000 for the fiscal year ending September 30, 1984, together with such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and other nondiscretionary costs for each fiscal year.*

SEC. 5. (a)-(e) * * *

(f) *The Commission shall have a Managing Director who shall be appointed by the Chairman subject to the approval of the Commission. The Managing Director, under the supervision and direction of the Chairman, shall perform such administrative and executive functions as the Chairman shall delegate. The Managing Director shall be compensated at the rate existing for persons employed at level V of the Executive Schedule.*

(g) *The Commission shall submit an annual report to the Congress not later than January 31, of each year. Such report shall—*

(1) list the specific goals, objectives, and priorities of the Commission which shall be projected over 12, 24, and 36 month periods;

(2) describe in detail the programs which are or shall be established to meet or carry out the goals, objectives and priorities;

(3) provide an evaluation of actions taken during the preceding year with regard to fulfilling the functions of the Commission; and

(4) contain recommendations for legislative action required to enable the Commission to meet its objectives.

CHARGES

SEC. 6. (a) *The Commission shall assess charges for the services listed in this subsection at the rates listed or at such modified rates as it shall establish pursuant to the provisions of subsection (b) of this section.*

Schedule of charges

| Private radio services: | Charge |
|--|--------|
| Marine coast stations—new, modifications, renewals..... | \$50 |
| Operational fixed microwave stations—new, modifications, renewals..... | 50 |
| Aviation (ground-stations)—new, modifications, renewals | 25 |
| Land (mobile radio)—new, modifications, renewals | 25 |

| | |
|--|------------------|
| <i>Equipment approval services:</i> | |
| Type certification: | |
| Receivers (except TV receivers)..... | 150 |
| All others (including TV receivers)..... | 500 |
| Type acceptance: | |
| Approval of subscription TV systems | 1,500 |
| All others..... | 250 |
| Type approval: | |
| Ship (radio telegraph) automatic alarm systems..... | 5,000 |
| Broadcast equipment required to be approved under FCC rules | 2,500 |
| Ship and lifeboat transmitters | 2,500 |
| All others..... | 1,000 |
| <i>Cable television services:</i> | |
| Cable television relay service: | |
| Construction permit..... | 250 |
| Renewals..... | 50 |
| Petitions for special relief—waivers | 500 |
| <i>Broadcast services:</i> | |
| Commercial TV stations (new and major change) construction permits: | |
| Application fee..... | 1,000 |
| Hearing charge | 5,000 |
| Grant fee..... | (¹) |
| Commercial radio stations—new and major change construction permits: | |
| Application fee..... | 500 |
| Hearing charge | 5,000 |
| Grant fee..... | (¹) |
| Directional antenna license fee..... | 300 |
| Translators and low power TV stations—new and major change construction permits: | |
| Application fee: | |
| Top 150 markets..... | 200 |
| Remaining markets..... | 100 |
| Hearing charge | 1,000 |
| Grant fee..... | 100 |
| Annual fee—commercial TV stations: | |
| Top 20 markets..... | 7,500 |
| 21-40 market..... | 6,750 |
| 41-60 market..... | 6,000 |
| 61-80 market..... | 5,250 |
| 81-100 market..... | 4,500 |
| 101-120 market..... | 3,750 |
| 121-140 market..... | 3,000 |
| 141-160 market..... | 2,250 |
| 161-180 market..... | 1,500 |
| 181-balance | 750 |
| Annual fee—commercial radio stations: | |
| Class B and C—FM, greater than 5000W—AM | 1,000 |
| Class A—FM, 1000W to 5000W—AM..... | 500 |
| Less than 1000W—AM..... | 150 |
| Annual fee—low power TV stations..... | |
| Subscription TV stations—application fee..... | 2,500 |
| Station assignment and transfer fees: | |
| Application fee—TV stations..... | 1,000 |
| Application fee—radio stations..... | 500 |
| Hearing charges..... | 5,000 |
| <i>Common carrier services:</i> | |
| Domestic public land mobile radio stations (base, dispatch, control, and repeater stations): | |
| Initial construction permits, assignments, transfers..... | 250 |
| Renewals and modifications | 25 |
| Air-ground station initial construction permits, renewals, and modifications..... | 25 |
| Cellular systems: | |
| Initial construction permits, assignments, transfers..... | 1,000 |
| Annual fee per mobile unit..... | 3 |
| Rural radio service (central office, interoffice or relay facilities): | |
| Initial construction permits, assignments, transfers..... | 100 |
| Renewals and modifications | 25 |

| | |
|--|---------------|
| <i>Local television or point-to-point microwave radio service—initial construction permits, renewals (assignments, transfers, and modifications)</i> | <i>150</i> |
| <i>International fixed public radio service—public and control stations:</i> | |
| <i>Initial construction permits, assignments, transfers</i> | <i>500</i> |
| <i>Renewals and modifications</i> | <i>350</i> |
| <i>Satellite services:</i> | |
| <i>Commercial transmit/receive earth stations:</i> | |
| <i>Initial construction permit, assignments, transfers</i> | <i>1,500</i> |
| <i>Renewals and modifications</i> | <i>500</i> |
| <i>Receive-only earth stations:</i> | |
| <i>License</i> | <i>250</i> |
| <i>Renewals</i> | <i>50</i> |
| <i>Application for authority to construct and launch satellites</i> | <i>2,000</i> |
| <i>Application for a satellite license</i> | <i>20,000</i> |
| <i>Multipoint distribution service:</i> | |
| <i>Initial construction permits, assignments, transfers</i> | <i>1,500</i> |
| <i>Renewals</i> | <i>100</i> |
| <i>Section 214 applications—formal filings</i> | <i>1,500</i> |
| <i>Tariff filings:</i> | |
| <i>Filing charge</i> | <i>300</i> |
| <i>Special permission filing</i> | <i>250</i> |
| <i>Telephone equipment registration</i> | <i>150</i> |
| <i>Digital termination service</i> | <i>150</i> |

¹ \$ times annual fee.

The Schedule of Charges established under this subsection shall be implemented not later than 180 days after the date of enactment of this subsection.

(b)(1) The Commission may on an annual basis increase or decrease the amounts of the charges established in subsection (a). Increases or decreases shall apply on a pro rata basis to all categories of charges and shall be in the same proportion as the cumulative charges in the Commission's total budget appropriations for the preceding 2 fiscal years.

(2) Increases or decreases made pursuant to this subsection shall be adopted as a part of the Commission's rules and regulations.

(3) Increases or decreases made pursuant to this subsection shall not be subject to judicial review.

(c) The Commission shall prescribe appropriate rules and regulations to carry out the provisions of this section.

(d) The Commission is authorized to prescribe by regulation an additional charge which may be assessed as a penalty for late payment of charges required by subsection (a). Such penalty shall not exceed 25 percent of the amount of the charge which was late.

(e)(1) The charges established in this section shall not be applicable to any governmental body.

(2) The Commission is authorized to waive or delay payment of any fee established in this section if it determines that the public interest would be served by such action.

(f) Moneys received from charges established pursuant to this section shall be placed in the general fund of the Treasury to reimburse the United States for amounts appropriated for use by the Commission in carrying out its functions under this Act.

(g) The authority to collect the charges established under this section shall be concurrent with the authorization of appropriations under subsection (p) of section 4.

(h) The total amount of fees collected under this subsection in any fiscal year shall not exceed 50 percent of the sums appropriated pursuant to the authorization of appropriations contained in section 4p.